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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,	)	No. 3 CR-15-70370
	)	
Plaintiff,	)	
	)	GOVERNMENT'S SECOND SUPPLEMENTAL
v.	)	FILING IN SUPPORT OF PRETRIAL DETENTION
	)	
CARL MARK FORCE,	)	Hon. Elizabeth D. Laporte
	)	
Defendant.	)	

1 Comes now the United States through its undersigned attorneys and submits the following brief  
2 to clarify the record and in support of its motion for pretrial detention of defendant, Carl M. Force, IV.  
3 At the detention hearing on April 29, 2015, the Court inquired as to the status of defendant's outstanding  
4 passports and asked that the government confirm said status with the Department of State (DOS). At the  
5 time of the hearing, government counsel had been informed that, in addition to the personal blue  
6 passport that was recovered from defendant's vehicle at the time of the arrest (which was expired), there  
7 was a second personal blue passport that was valid until 2017, which had yet to be recovered. The  
8 United States has since learned that the second passport did indeed exist; however, according to DOS,  
9 that passport was an official red passport, which was issued to defendant while he was an agent with  
10 DEA. The United States is further informed that this second passport has been turned over to the DEA  
11 for destruction. This information was not known to government counsel at the time of the detention  
12 hearing and therefore, the United States wishes to correct the record on this matter at this time.

13 Regardless, this fact does not change the government's position that a preponderance of the  
14 evidence demonstrates that Force is still a risk of flight and thus, should be detained. As indicated  
15 during the detention hearing, defendant amassed certain special skills through his work as an undercover  
16 DEA agent operating on the dark web and has the knowledge and ability to obtain false identification, if  
17 he has not already done so. This would include passports, which were sold on the Silk Road and on a  
18 variety of black market sites. Indeed, that was one of the services that Force was performing in his  
19 undercover capacity – procuring false identification for the target of the Maryland investigation, Dread  
20 Pirate Roberts, a.k.a., Ross Ulbricht. Additionally, as evidenced by the document created by Force  
21 entitled "el plan", previously submitted to this Court, Force has actively considered and planned for how  
22 to leave the United States undetected and travel to a foreign country where he would be beyond the  
23 reach of U.S. law enforcement.

24 In addition to his ability, Force also has the means to flee the country. As evidenced by Force's  
25 own ledger, which was seized during the search of his house, Force had more than \$300,000 in bitcoins  
26 at the end of 2014. This is in addition to the funds in the various domestic bank accounts which he owns  
27 and the \$150,000 tax refund, which the government learned about for the first time at the detention  
28 hearing on April 29<sup>th</sup>. Then there is the issue of the \$235,000 that Force wired to Pantera Capital in

1 Panama on May 8, 2014, further destined for BTC-e, a digital currency exchange that is not registered  
2 with the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) as it must be to  
3 be in compliance with U.S. law. It appears that these funds were subsequently moved to Eastern Europe  
4 where they are now beyond the reach of United States law enforcement.<sup>1</sup> The existence of these  
5 overseas funds is troubling to begin with; however, what is even more troubling is the fact that the  
6 defendant failed to disclose the existence of these funds to the Pretrial Services Office (PTS) during his  
7 interview on April 29<sup>th</sup>. Force's lack of candor with the PTS is directly relevant to the issues of trust  
8 that are central to this Court's consideration of the government's present motion and were one of the  
9 primary reasons that the Court in Maryland ordered Force's detention at the hearing on April 2, 2015.

10 One point bears special need for clarification as a result of defense counsel's proffer at the  
11 hearing, however, and that is Force's digital currency balances at overseas exchanges and what he told  
12 the government (and PTS) about them. It should be clear that Force did not simply have one overseas  
13 digital currency account. He had at least two, and those are only the ones known to the government.  
14 Force had and has an account at Bitstamp, based in Slovenia. Force also had, and has, an account at  
15 BTC-e, as described above. The Bitstamp account was the only account Force told the government  
16 about during his proffer, and by that time the Bitstamp account was already known to the government.  
17 Indeed, Bitstamp had apprised law enforcement of Force's account and of the large scale withdrawals  
18 he was attempting to make from it. Although Force has agreed to a freeze of the Bitstamp balances, the  
19 government has no way to access the large balances that were wired to BTC-e via Panama. Although  
20 defense counsel's proffer to this Court was that Force was willing to turn over the necessary passwords  
21 to the government to obtain those passwords on an apparent "thumb drive," undersigned counsel  
22 represents to this Court that it contacted defense counsel months ago seeking any passwords or PGP  
23 encryption keys and was advised that Force had none and did not memorialize any.

24  
25  
26 <sup>1</sup> At the hearing on the 29<sup>th</sup>, defense counsel, for the first time, stated that these funds in the  
27 BTC-e account were the property of the United States and that Force had informed the government of  
28 this fact at the time of his proffer on May 30, 2014. This is simply not the case. At the time of his  
proffer Force informed that government that certain bitcoins in his Bitstamp account purportedly  
belonged to the United States but he made no mention the \$235,000 that he had wired to Panama just  
two weeks prior to his proffer.

Moreover, through defense counsel proffer to the Court at the detention hearing this week, it was represented that Force told the government of the BTC-e funds last year during the May 2014 proffer and now it is defendant's position that they were government funds all along. All undersigned counsel were present at that proffer and none recall this statement. Moreover, as government counsel noted at the hearing, if those funds belong to the government (which the government believes) and were wrongfully converted by Force, why would Force have moved them outside the country to an offshore account if his intention was to give them back to the United States?

Given the defendant's lack of candor with the PTS, his access to large amounts of known and discovered funds, including those that he moved offshore; the real possibility of additional funds that have not yet been discovered by the government; his expert knowledge of undetectable or hard-to-detect methods of communication; his expert knowledge of false identities and procuring the same; his communications about a "get out of town" plan; the fact that when arrested and knowing of the government's case he was caught with a "go bag" of blank money orders totaling \$5,000, a loaded weapon, and an expired passport; and the other factors described in the government's motion in support of detention and adduced at the hearing, the United States requests this Court reach the same conclusion as the Magistrate Judge in the District of Maryland and detain the defendant pending trial.

Finally, given all the representations that were made about the different account balances and currency at the proffer, the government respectfully requests that the Court take into account the sworn testimony of Special Agent Tigran Gambaryan made through his affidavit in support of the Criminal Complaint in this case. Although it is somewhat lengthy, its factual descriptions and attachments depicting some of the defendant's transfers of digital currency should leave no doubt that Force was a master at hiding assets and covering his tracks, including requesting that evidence be deleted.

Respectfully submitted,

MELINDA HAAG

/s/  
RICHARD B. EVANS  
Trial Attorney, Public Integrity Section

/s/  
KATHRYN HAUN  
WILLIAM FRENTZEN  
Assistant U.S. Attorneys

Dated: May 1, 2015

**Certificate of Service**

I hereby certify that on this 1<sup>st</sup> day of May, 2015, an electronic copy of the foregoing was served via the Court's ECF system on counsel for defendant and all those who have filed an appearance in this case.

\_\_\_\_\_/s/\_\_\_\_\_  
Richard B. Evans  
Trial Attorney